

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON CORRECTIONS AND PUBLIC SAFETY**

**Call to Order:** By **CHAIRMAN STANLEY FISHER**, on January 29, 2001  
at 8:00 A.M., in Room 317-A Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Stanley Fisher, Chairman (R)  
Sen. Arnie Mohl, Vice Chairman (R)  
Rep. Tim Callahan (D)  
Sen. Chris Christiaens (D)  
Rep. Jeff Pattison (R)  
Sen. Debbie Shea (D)  
Sen. Tom Zook (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Mary Beth Linder, OBPP  
Sandra Whitaker, Committee Secretary  
Todd Younkin, Legislative Branch

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: None  
Executive Action: Department of Labor

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#### **EXECUTIVE ACTION ON DEPARTMENT OF LABOR**

**CHAIRMAN FISHER** called the meeting to order and proceeded to  
executive action on the Department of Labor Job Services.

#### **JOB SERVICES**

**Motion/Vote:** SEN. MOHL moved that **THE BASE LEVEL OF FUNDING PLUS STATEWIDE PRESENT LAW ADJUSTMENTS (TO INCLUDE DP 699 - ADDED VACANCY SAVINGS, AND DP 698 - DECREASE RENT OF STATE BUILDINGS) FOR THE DEPARTMENT OF LABOR BE ADOPTED. Motion carried 7-0.**

**Motion:** SEN. CHRISTIAENS moved that **DP 1 WIA FUNDING & CAP INCREASE BE ADOPTED.**

**Discussion:** SEN. ZOOK suggested a substitute motion as follows and **Ms. Mary Beth Linder, OBPP**, reminded the committee it would be best to work from the Martz budget sheets.

**EXHIBIT(jch23a01)**

**Substitute Motion:** SEN. ZOOK made a substitute motion that **DP 1 WIA FUNDING & CAP INCREASE WITH REMOVAL OF THE GENERAL FUND INCREASE OF \$16,593 (2002) AND \$16,717 (2003) BE ADOPTED.**

**Discussion:** REP. CALLAHAN asked if that affected the ability to access federal funds. **Mr. Younkin** stated the general fund allocation is tied solely to the department's cost allocation planning increase. A reduction would have no bearing on the federal funds.

**Substitute Motion/Vote:** SEN. ZOOK made a substitute motion that **DP 1 WIA FUNDING & CAP INCREASE WITH THE REMOVAL OF GENERAL FUND INCREASE OF \$16,593 (2002) AND \$16,717 (2003) BE ADOPTED. Substitute motion carried 7-0.**

**Motion/Vote:** SEN. CHRISTIAENS moved that **DP 3 LEASE VEHICLES BE ADOPTED. Motion carried 7-0.**

**Motion:** SEN. CHRISTIAENS moved that **DP 5 R&A FTE AND OPERATING INCREASE OF 2 FTE AND DP 6 FEDERAL FUNDING CHANGE AND CAP INCREASE BE ADOPTED.**

**Discussion:** REP. PATTISON asked for clarification on the modified FTE becoming permanent. It was stated a one time only allocation would keep that modified and it would need to be requested again in the next legislature to be made permanent.

**Substitute Motion/Vote:** REP. PATTISON made a substitute motion that **DP 5 R&A FTE & OPERATING INCREASE WITH THE 2 FTE AND ASSOCIATED FUNDING DESIGNATED AT ONE-TIME-ONLY BE ADOPTED. Substitute motion carried 7-0.**

**Motion/Vote:** SEN. CHRISTIAENS moved that DP 6 FEDERAL FUNDING CHANGE AND CAP INCREASE BE ADOPTED. Motion carried 6-1 with Pattison voting no.

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**CHAIRMAN FISHER** asked the department to clarify the 15% cuts they were instructed to make for this biennium as instructed in the 1999 Legislature HB 64. **Ms. Wendy Keating, Administrator, Job Service Division**, responded the department had listed the apprenticeship program. It is a work force program operated through the Job Service Division with 900 apprentices in 680 employee sponsored programs across the state. It is funded partially by the general fund. It is one of the most successful programs existing at this time due to the fact that the trainee earns money and pays taxes while he learns his trade. It is also the only way a plumber or electrician can be licensed in Montana. There was further discussion on how the program works. If the \$140,000 were taken out, **Ms. Keating** stated the program would no longer exist. The other general fund program is training for displaced homemakers in the amount of \$235,000 each year of the biennium.

**Ms. Tammy Peterson, Department of Labor and Industry**, added the department has a budget of \$46 million with only about \$1.5 million in general funds; therefore, they had very few programs to look at for cutting 15%. Apprenticeship was picked due to the fact it fulfilled the amount required to cut.

In regards to the ratio of apprentices to master plumbers or electricians, **Ms. Keating** stated the ratio is in statute and there is a bill before the legislature this year to address that.

**Motion:** SEN. CHRISTIAENS moved to REMOVE THE GENERAL FUNDS OF \$235,000 FOR THE DISPLACED HOMEMAKERS PROGRAM BE ADOPTED.

**Discussion:** **Ms. Linder** stated the amount in the general fund for the displaced homemakers program is \$471,000 for the biennium. **Ms. Ingrid Childress, Job Service Division**, gave further explanation regarding the displaced homemakers program. The program is designed to serve women who through death or divorce cannot support themselves. It is to allow them to become economically independent and keep them off the welfare rolls. It serves about 100 individuals with the majority being women. Those people would not be served if the funding were cut. There was further discussion on the displaced homemakers funding, federal matches, and FTE requirements.

**SEN. SHEA** suggested more information was necessary regarding both the Apprenticeship Program and Displaced Homemakers Program before cuts were made by the committee. There was no further discussion.

**Motion/Vote:** **SEN. CHRISTIAENS** moved that \$471,000 BE REMOVED FOR THE DISPLACED HOMEMAKERS PROGRAM FOR THE BIENNIUM BE ADOPTED. Motion carried 5-2 with Callahan and Shea voting no.

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**Motion:** **SEN. CHRISTIAENS** moved that DP 2 JOBS FOR MONTANA'S GRADUATES FUNDING PLUS AN ADDITIONAL \$50,000 GENERAL FUND EACH YEAR OF THE BIENNIUM BE ADOPTED.

**Discussion:** **SEN. CHRISTIAENS** felt for the price of \$731 per student more funding should be available for the prevention of high school dropouts. The Committee has previously approved money for the Montana Army National Guard Challenge Program at a much higher per student cost which makes this per student cost a bargain. **SEN. ZOOK** agreed with the comments but cannot support the motion until a definite revenue picture is available. **SEN. SHEA** felt it would be hard to add to this program when the Displaced Homemakers Program was just cut. **REP. CALLAHAN** added his concern about cutting programs completely and adding to programs that are untouched. He felt these cuts may look good today but in the future it will not be good.

**Motion/Vote:** **SEN. CHRISTIAENS** moved that DP 2 ADDING \$50,000 EACH YEAR OF THE BIENNIUM TO THE JOBS FOR MONTANA'S GRADUATES BE ADOPTED. Motion failed 1-6 with Christiaens voting aye.

**Motion/Vote:** **SEN. CHRISTIAENS** moved that DP 2 AS STATED IN THE MARTZ BUDGET for \$268,069 (2002) AND \$268,221 (2003) BE ADOPTED. Motion carried 7-0.

**CHAIRMAN FISHER** stated DP 7 R&A Career Conference for \$80,000 was to hold the conference in Montana and the \$80,000 would be reimbursed through registrations.

**Motion/Vote:** **SEN. CHRISTIAENS** moved that DP 7 R & A CAREER CONFERENCE BE ADOPTED. Motion carried 7-0.

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**UNEMPLOYMENT INSURANCE DIVISION**

**Motion/Vote:** SEN. CHRISTIAENS moved that DP 1 ICON PROGRAMMER BE ADOPTED. Motion carried 7-0.

**Motion/Vote:** REP. PATTISON moved that DP 2 ITEM #1 FUNDING AND FTE ONE TIME ONLY BE ADOPTED. Motion carried 7-0.

SEN. CHRISTIAENS asked if the computer replacement policy for this agency was the same as all others. He was concerned the agencies could be treated differently. SEN. ZOOK stated the Information Technology Committee was not involved in the purchase of computers. Ms. Linder added one of the responsibilities of the budget office was to keep the agencies on track in computer replacement. She explained this agency off schedule and this request was to catch up. On occasion an agency has to use their funds for another purpose and gets behind on computer replacement. The Budget Office is recommending this request.

**Motion/Vote:** SEN. CHRISTIAENS moved that DP 2 ITEM #2 REDUCE THE APPROPRIATION TO \$66,000 FOR COMPUTER REPLACEMENT PER LFD RECOMMENDATION BE ADOPTED. Motion carried unanimously.

**Motion:** SEN. CHRISTIAENS moved that DP 2 ITEM #3 ACCOMMODATE INCREASED FEDERAL CONTINGENCY AND INTEGRITY FUNDING OF \$800,000 PER YEAR BE ADOPTED.

**Discussion:** REP. PATTISON asked if it were possible to get by with \$400,000. Mr. Hill, Unemployment Insurance Division, the \$800,000 is for contingency money. The federal government gives the division a base budget and if the workload is exceeded by a certain amount, the federal government gives them additional money. In the past, the contingency money has been given to the department after the fact; however, the government is changing its policy and giving them the money in the beginning by estimating the workload. The division is asking for approval to spend that money. Mr. Hill stated if it was cut to \$400,000, it would not let them spend the additional \$400,000 they would be entitled to because of their workload. It would definitely impact the effectiveness of the operation. There was further discussion on how the workload might be anticipated and how the expected layoffs around the state will affect the Unemployment Insurance Division. SEN. ZOOK pointed out the division is not able to ask for additional spending authority in the interim.

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**Motion/Vote:** SEN. CHRISTIAENS moved that DP 2 ITEM #3 ACCOMMODATE INCREASED FEDERAL CONTINGENCY AND INTEGRITY FUNDING OF \$800,000

PER YEAR BE ADOPTED BE ADOPTED. Motion carried 6-1 with Pattison voting no.

Motion: SEN. CHRISTIAENS moved DP 2 ITEM #4 FUNDING TO INCREASE THE DEPARTMENT COST ALLOCATION PLAN AND #5 TO CORRECT A BASE YEAR ACCOUNTING ERROR OF \$23,600.

Discussion: SEN. MOHL asked about the large increase in the department's cost allocation plan from 2002 to 2003. Mr. Younkin explained the percent had increased from 9.44% to 10.14%. Ms. Tammy Peterson, Administrator, Commissioners' Office and Centralized Services Division responded it would not increase that much every year. She would like to recalculate that figure as she feels the second year might be higher than necessary. Mr. Younkin will get that figure from Ms. Peterson for the committee.

Substitute Motion/Vote: SEN. CHRISTIAENS made a substitute motion that DP 2 ITEM #4 WITH THE CORRECTED NUMBERS AS PROVIDED BY THE DEPARTMENT AND ITEM #5 TO CORRECT A BASE YEAR ACCOUNTING ERROR OF \$23,600 BE ADOPTED. Substitute motion carried unanimously.

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CENTRALIZED SERVICES DIVISION

Motion/Vote: SEN. CHRISTIAENS moved that DP 1 HUMAN RIGHTS WORKLOAD INCREASED FUNDING OF \$5,498 EACH YEAR BE ADOPTED. Motion failed 4-3 with Callahan, Christiaens, and Shea voting aye.

Motion/Vote: SEN. ZOOK moved that DP 2 BOARD OF LABOR APPEALS PER DIEM INCREASES AND MISCELLANEOUS OPERATING COSTS BE ADOPTED. Motion carried unanimously.

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Motion/Vote: SEN. ZOOK moved TO ADOPT THE CENTRALIZED SERVICES DIVISION'S PROPOSED INTERNAL SYSTEM RATES WITH THE FOLLOWING LANGUAGE "IT IS THE INTENT OF THE LEGISLATURE THAT THE RATES CHARGED FOR THESE FUNCTIONS HAVE BEEN AGREED UPON BY THE UNITED STATES DEPARTMENT OF LABOR FEDERAL COST NEGOTIATOR. IT IS ANTICIPATED THAT THE ASSESSMENT WILL BE APPROXIMATELY 9 PERCENT AND 10 PERCENT OF A PROGRAM'S ACTUAL PERSONAL SERVICES COSTS INCURRED IN FISCAL YEAR 2002 AND FISCAL YEAR 2003." Motion carried unanimously.

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**EMPLOYMENT RELATIONS DIVISION**

**CHAIRMAN FISHER** asked for an explanation of the first decision package on the human right workload adjustment from state special funds to general funds. **Mr. Younkin** stated in the last biennium FTE and funding were approved for the Human Rights Program. A portion of the funding was made one-time-only. When that came out of the base in order to send through a balanced budget the department had to fund one of the remaining FTE with the state special revenue. The department is requesting that the state special revenue be replaced with general funds as it was funded during the last biennium with a slight increase in general funds bringing the total general fund increase to approximately \$99,000 each year of the biennium. This is recommended in the Martz budget.

**REP. PATTISON** asked if the FTE was to become permanent. **Mr. Younkin** replied it would.

**Motion:** **REP. PATTISON** moved that **DP 1 HUMAN RIGHTS WORKLOAD FTE BE ONE TIME ONLY AND RESTRICTED BE ADOPTED.**

**Discussion:** **Ms. Linder** further explained the difference in figures in the Martz budget and Racicot budget. The state special funds had to help fund the FTE during the interim. It is placed in the budget in this manner to "clean it up" and let this position stand alone without other special money to help fund it.

**Motion/Vote:** **REP. PATTISON** moved that **DP 1 HUMAN RIGHTS WORKLOAD FTE BE ONE TIME ONLY AND RESTRICTED BE ADOPTED.** Motion carried 6-1 with Mohl voting no.

**Motion/Vote:** **SEN. CHRISTIAENS** moved **DP 2 EMPLOYMENT RELATIONS DIVISION REQUEST FOR 4 ADDITIONAL FTE BE ADOPTED.** Motion failed 3-4 with Callahan, Christiaens, and Shea voting aye.

There followed some discussion for clarification. **REP. PATTISON** stated he cannot vote for increasing government size even though the programs are good. **Ms. Linder** pointed out there were federal funds associated with this decision package that would not be able to be used. The vote stood.

**Mr. Younkin** explained DP 3 with increases and decreases to operating expenses. The increases and decreases do not total the figure seen on the budget sheet due to the fact that some one-time-only operating expenses were also taken out. If this DP did not pass, the result would be a reversal-the \$6,000 increase in

general funds would not happen, the \$356,072 decrease in state special would not happen, and the \$16,006 federal special increase would not happen.

**Motion/Vote:** SEN. ZOOK moved that DP 3 ADJUST OPERATING COSTS BE ADOPTED. Motion carried 5-2 with Mohl and Pattison voting no.

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**MONTANA COMMUNITY SERVICES**

**Motion/Vote:** SEN. CHRISTIAENS moved that DP 1 ADMINISTRATIVE FUNDING ADDING 1 FTE WITH NO GENERAL FUND INCREASE BE ADOPTED. Motion carried 6-1 with Mohl voting no.

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**WORKERS COMPENSATION COURT**

**Motion/Vote:** SEN. CHRISTIAENS moved that DP 1 INCREASED OPERATING EXPENSES BE ADOPTED. Motion carried unanimously.

**Motion/Vote:** SEN. CHRISTIAENS moved ADOPTION OF THE BUDGET AS AMENDED FOR THE DEPARTMENT OF LABOR BE ADOPTED. Motion carried 5-2 with Callahan and Shea voting no.

CHAIRMAN FISHER adjourned the meeting.



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**ADJOURNMENT**

Adjournment: 10:26 A.M.

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REP. STANLEY FISHER, Chairman

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SANDRA WHITAKER, Secretary

SF/SW

**EXHIBIT** (jch23aad)